Cattaraugus County Health Department’s

CDBG
Lateral, Well & Septic Repair or Replacement Assistance Program

Program Policies, Procedures & Guidelines
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Section 1  Program Summary

Cattaraugus County Health Department has received a Community Development Block Grant (CDBG) from the NYS Office of Community Renewal since 2009. The grant funds are used to assist low and moderate income households to repair or replace their failed septic systems and/or wells or to connect to existing water and/or sewer mains throughout Cattaraugus County. The program is administered in partnership with the Rural Revitalization Corporation located in Olean, NY.

Eligibility requirements for residents of Cattaraugus County to receive assistance through this CDBG program mandates that single family homes are owned and occupied by the person applying for assistance, and the gross annual household income of all household members not exceed the maximum income limits that are published by the US Department of Housing and Urban Development (HUD) which are subject to change each year.

The remaining sections of this document describe the procedures and guidelines that will be used to implement all program activities according to Local, State and Federal regulations and laws.

Section 2  Terms and Definitions

The following terms appear throughout these Program Guidelines, and are defined as follows:

- **Applicant** – The owner(s) of a property who have completed a formal application for assistance related to rehabilitation of their septic system, well or creation of a lateral connection. All applicants must be screened for eligibility by Rural Revitalization Corp. and approved by the CCHD Environmental Health Engineer.

- **Community Development Block Grant (CDBG)** – This federally-funded program through HUD (below) is administered in New York State by the Office for Community Renewal (OCR). OCR provides these grants to municipalities each year for a variety of community development projects, including housing rehabilitation, homeownership, economic development, public facilities and infrastructure, and microenterprise assistance.

- **Contractor/Owner Agreements** – Include plans, specifications, engineering documents, comments from the State Historic Preservation Office and NYS Division of Coastal Resources (if applicable), the rehabilitation agreement executed between the property owner and contractor, bid documents, insurance certificates as well as all required attachments.

- **Cattaraugus County Health Department (CCHD)**

- **Eligible Expenses** – the primary purpose of the Cattaraugus County Health Department’s program is lateral connections and well/septic repair. For this reason, Cattaraugus County Health Department (CCHD) anticipates that all approved/reimbursed expenses will be directly related to the repair or replacement of wells, septic systems and lateral connections only.
• **Household** – Consists of all the persons occupying a single housing unit.

• **HUD** – The U.S. Department of Housing and Urban Development, which provides funding to the OCR and creates policy and guidance for CDBG funded projects.

• **Income Limits** – HUD has established income limits that determine program applicants’ eligibility to participate in CDBG-funded programs. These income limits are updated annually by HUD. FY 2018 income limits are included in Section 8 of this document, and will change in subsequent years.

• **Grant Agreement** – This document is a lien that will be attached to the assisted property for the regulatory period. The Grant Agreement will ensure the CCHD’s investment in assisted properties and discourage speculation in assisted properties.

• **Low and Moderate Income (LMI)** – a term used to describe households that qualify for direct assistance through the Community Development Block Grant program. LMI households possess gross household incomes less than 80% of the local or regional median household income (MHI), as defined by HUD. LMI is broken into three categories – Very low income (less than 30% of MHI), Low income (31% to 50% of MHI), and moderate income (51% to 80% of MHI). Households whose incomes do not fall within these ranges will not be eligible to receive assistance through the CCHD’s Lateral Connection and Well/Septic Repair Assistance Program.

• **Metropolitan Statistical Area (MSA)** – a geographic area defined by the US Census, and used to determine eligible income limits in CDBG programs. Cattaraugus County is located in the Buffalo MSA, and is subject to the income limits of that area.

• **NYS Office for Community Renewal (OCR)** – The NYS Office for Community Renewal (OCR) administers non-entitlement Community Development Block Grant funds throughout New York State, and is the chief governmental oversight agency for the program.

• **Owner-Occupied Housing Unit** – Any housing unit that serves as the primary residence for the property owner. Property owners who own more than one residence are not eligible for this program.

• **RRC** – Refers to Rural Revitalization Corporation, which has been contracted by the Cattaraugus County Health Department to administer this Lateral Connection and Well/Septic Repair Assistance Program. The Rural Revitalization Corp. Offices are located at 618 N. Barry Street, Olean, NY 14760 and can be contacted at 716-373-4100.

• **Program Guidelines** – These Program Guidelines contain the procedures, policies and forms to be used in the administration of CCHD’s Lateral Connection and Well/Septic Repair Assistance Program, and may be amended as necessary by the Cattaraugus County Health Department at its discretion. The Program Guidelines were developed to comply with Local, State and Federal laws and regulations that apply to the expenditure of CDBG funds.

• **Program Administrator** – The Cattaraugus County Health Department selected the Rural Revitalization Corporation to act as the program’s lead administering agent. The Program Administrator will be responsible for maintaining files, reviewing individual
applications for compliance with these guidelines and all applicable regulations. The Program Administrator will also report administrative activities to the Cattaraugus County Health Department including financial management of CDBG funds.

• **Rehabilitation Costs** – The total cost of all eligible repairs and improvements to be incurred by the applicant, including building permits and related fees.

• **Rehabilitation** – Rehabilitation can be defined as the physical repairs and improvements of a structure in accordance with the procedures set forth in these Program Guidelines

• **SHPO (pronounced SHIPPO)** – the New York State Historic Preservation Office must be consulted prior to rehabilitation of any housing unit assisted with State or Federal funds. The SHPO reviews projects for compliance with the National Historic Preservation Act of 1966 and other applicable state and federal historic preservation laws.

### Section 3  Program Administration

#### A. Program Management

The program is administered in partnership by the CCHD and RRC. The CCHD is responsible for the majority of the program management tasks, while RRC is responsible for the day-to-day administration of grant activities. Both CCHD and RRC work in unison to ensure compliance with all applicable local, State and Federal regulations.

1. **Program Startup**

• **Environmental Review Record (ERR) - CCHD**
  
  o The CCHD Environmental Health Engineer conducts a review of and ensures compliance with required environmental standards as stipulated in provisions of the National Environmental Policy Act (NEPA) and the NY State Environmental Quality Review Act (SEQRA), as well as 24 CFR 58
  
  o Consulting with various local, State and Federal agencies, as applicable, to document compliance with these regulations
  
  o Certifying to the completeness and accuracy of findings within the Environmental Review process

• **Designation of Depository and Signatory - CCHD**
  
  o Coordinating with County representatives to establish a non-interest bearing checking account that will receive a direct deposit of CDBG funds
  
  o Coordinating with County representatives to establish authorized signatories for requests on CCHD’s line of credit with the OCR
• **Request Release of Funds (RROF) - CCHD**  
Upon CCHD receiving formal grant award and prior to any project costs being incurred:
- The Grant agreement between NYS OCR and CCHD must be fully executed
- CCHD will submit a Notice of Intent to Request Release of Funds (NOI/RROF) form directly to NYS OCR.
- The CCHD will publish the NOI/RROF in Cattaraugus County’s official newspapers and obtaining an Affidavit of Publication from said newspaper.
- Completion of the ERR with the CCHD maintaining a copy of the ERR for public review and comment.
- The CCHD will collect, coordinate, and address public comments received during the required 8-day local comment period.
- The CCHD will submit all required paperwork to the OCR for approval of the Release of Funds

• **Program Guidelines - CCHD & RRC**
  - Review of applicable provisions of 24 CFR 570 to determine and describe policies, procedures and guidelines that will be used to implement the Program.
  - The Program Guidelines will include all duties and responsibilities described in Section 2 that follows below.
  - Coordinating with the Cattaraugus County Health Department to adopt the Program Guidelines prior to Program implementation.

2. **Program Implementation**

a) **Program Delivery - RRC**

The Program Administrator (RRC) shall be responsible for the general program management tasks known as “program delivery” services that RRC will directly provide to Program applicants on an on-going basis. These services directly benefit Program applicants, and include:

- Providing outreach and marketing to obtain Program applicants and qualified contractors
- Maintaining a list of eligible contractors and applicants waiting for assistance
- Providing technical assistance and screening applicants for eligibility according to Program requirements
- Obtaining and maintaining documentation of eligibility, including: income, ownership, mortgage status, tax status, homeowner’s and flood insurance (if applicable) status, and applicant certification
- Preparing and submitting documentation to the State Historic Preservation Office (SHPO) in compliance with Section 106 of the National Historic Preservation Act of 1966
• Coordinating with applicants and the CCHD Environmental Health Engineer to conduct initial, interim and final inspections of assisted properties.
• Coordinating with applicants and the CCHD Environmental Health Engineer to review and obtain acceptance by the applicant of the rehabilitation specifications.
• Preparing and issuing bid packages with CCHD created septic system designs or well water specifications to approved contractors.
• Receiving and reviewing bids received from contractors and determining the low bidder with the CCHD Environmental Health Engineer.
• Facilitating execution of Contractor/Owner Agreements between applicants and selected contractors.
• Notifying successful applicants of the approved level of funding and financing structure.
• Coordinating with the Cattaraugus County Health Department, County Attorney and the applicant to execute a Loan and Grant Agreement on the assisted property.
• Issuing a Notice to Proceed to contractors.
• Coordinating with the CCHD Environmental Health Engineer to obtain approval of interim and final payments to contractors.
• Issuing Change Orders (as necessary and approved by CCHD Environmental Health Engineer, Program Administrator and applicant) for legitimate unforeseen work.
• Obtaining a Notice of Satisfactory Completion from applicants.
• Obtaining a Release of Liens and Warranties from contractors.
• Submitting an RRC Invoice, Form1-4B and copy of contractor’s invoice to the CCHD on all completed projects so the CCHD can submit a Request for Funds form to NYS OCR for payment on each completed project.

b) **Administrative Duties of the Program Administrator**

In addition to the Program Delivery duties described previously, the Program Administrator will be responsible for providing administrative services that will occur periodically throughout implementation of the Program. These services do not directly benefit specific Program applicants, though are necessary for the successful long-term management of the Program and to comply with regulatory and statutory requirements. Administrative duties will include:

• Working in partnership with CCHD to meet the Program Objectives of **“Schedule B”** (2016 Awarded Budget & Projected Accomplishments Summary Sheet) of the NYS OCR and CCHD Community Development Block Grant Agreement.
• Ensuring compliance with applicable local, State and Federal laws and regulations, including those related to provisions within 24 CFR 570, as amended, and relate to the following:
  o Environmental Protection - CCHD
  o Historic Preservation - RRC
  o Fair Housing - CCHD
  o Citizen Participation - CCHD
  o Equal Employment Opportunity (EEO) - CCHD & RRC
  o Minority and Women Owned Businesses (MBE/WBE) - CCHD & RRC
  o HUD National Objectives – CCHD & RRC
  o 24 CFR 135.38 (Section 3) - CCHD & RRC
  o Americans with Disabilities Act (ADA) - CCHD & RRC
  o Ensure program provides assistance to low/moderate income persons
  o Conflicts of interest - RRC
  o Consulting with the OCR as needed for technical assistance required for Program implementation – CCHD & RRC
  o The CCHD will serve as the primary contact with the OCR staff with reporting and compliance issues.
  o Financial Management of the Program to include:
    o Accounting of Program expenditures and revenues – CCHD & RRC
    o Processing and payment of contractor invoices - RRC
    o Supporting documentation for completion of Requests For Funds from CCHD’s line of credit with the OCR to be reviewed, approved and submitted by CCHD.
      o Keeping current and accurate records of transactions. CCHD & RRC

• Providing County officials with updates related to the progress and status of the Program - CCHD
• Meeting with OCR and County officials during the State monitoring visit, and following up on State comments, as applicable - CCHD
• Completion of Annual and final progress reports to the OCR to be reviewed, approved and submitted by CCHD Environmental Health Engineer.
• Completion of the program closeout documents at the termination of the program to be reviewed, approved and submitted by the CCHD Environmental Health Engineer.

B. Program Objectives

The Cattaraugus County CDBG program includes several goals that became part of CCHD’s contract with the State of New York. These goals include:

• Successful lateral connection or septic/well repair or replacement with a specific target number of homes / residents expected to be benefited with each grant.
• Effective and responsible management of CDBG funds

These objectives are described in Schedule B of the Community Development Block Grant Agreement executed by the NYS OCR and CCHD that is available for review upon request at the CCHD, 1 Leo Moss Drive, Olean, NY.

C. Records to be Maintained

The Program Administrator (RRC) will be responsible for maintaining the following on file:

Individual Project Files shall include the following as applicable:

• Application for Assistance
• Applicant eligibility documentation
• SHPO requests/determinations
• Acknowledgement of receipt of lead handout by owner
• Work write-ups/specifications/engineering drawings
• Bidding documents
• Contractor/Owner agreements
• Service Agreement
• Notification of Grant and/or Loan Award Letter
• Notice to Proceed to contractors
• Inspection Logs
• Contractor payment request and distribution documents
• Work Change Orders (if applicable)
• RRC Project Close-Out form signed by owner
• Copy of Permit to Operate (Septic)
• Copy of Lab Water Report & Well Water Completion Report (Well)
• Copy of CCHD Environmental Review of property
• Conflict of Interest Policy and Certification
• Related correspondence
• Grant Enforcement Note & Mortgage Agreement

D. Marketing/Outreach Activities

Marketing/Outreach Procedures

1. Notices are placed in Cattaraugus County newspapers, Social Media, Towns and various community bulletin boards letting residents know about the program and where they can obtain an application. Information on the program is also located on the Cattaraugus County / Health Department website (https://www.cattco.org/health) and Rural Revitalization Corporation website (www.rrcorp.org).
Section 4  Applicant Eligibility Requirements

a) Statutory Eligibility Requirements

Cattaraugus County will require that all participating households qualify as low and moderate income, where gross household income is less than or equal to 80% of the area median household income (MHI), as defined by HUD. As Cattaraugus County is located in the Buffalo Metropolitan Combined Statistical Area (MSA/CSA), Rural Revitalization Corp. will determine income eligibility based on Median Household Income (MHI) in the Buffalo MSA/CSA. Income limits derived from these figures will change yearly by HUD, which will in turn affect income eligibility for Cattaraugus County program applicants.

Applicants will be required to submit evidence of statutory eligibility at the time of applications. Those applicants who do not meet these income eligibility requirements will not be able to participate in CCHD’s Lateral Connection and Well/Septic Repair Assistance Program.

b) Local Program Requirements

In addition to these statutory requirements, CCHD will require all program participants to comply with the following:

- **Tenure** – only owner-occupied year-round housing units will be eligible to receive assistance
- **Age** – households owned and occupied by at least one senior citizen (aged 62 and older) will receive preference in funding projects.
- **Mortgage Status** – applicants must provide evidence that their mortgage is either current or satisfied. A letter, escrow statement, or notice of satisfaction from the mortgage holder may be used to demonstrate compliance.
- **Homeowners’ Insurance** – applicants must provide evidence of homeowners’ insurance for the duration of the project; a copy of the owner’s policy or letter from the insurance agency will satisfy this requirement
- **Taxes** – applicants must demonstrate that they are not delinquent with any of the following taxes: County, Town, Village (if applicable), water/sewer (if applicable) and school
- **Flood Insurance** (as applicable) – the Program Administrator will review FEMA flood insurance rate maps (FIRM) prior to project approval. For those properties that lie within a 100-year floodplain, Rural Revitalization will require that owners obtain and maintain flood insurance for the duration of their participation in the project.
c) Target Area

There is no specific target area within Cattaraugus County for the CCHD’s Lateral Connection and Well/Septic Repair Assistance Program.

d) Eligible Properties

All owner-occupied year-round households with a need for lateral connections or with well/septic deficiencies throughout Cattaraugus County will be eligible to apply for assistance through CCHD’s program. Applicants that own two residences are not eligible.

New York State Department of Agriculture and Markets (NYS Ag & Markets) is charged with protecting agricultural land in New York State. In areas where water and sewer lines and districts are within NYS certified Agricultural Districts, NYS Ag & Markets has the option to restrict future lateral connections to residences constructed after the water or sewer line is installed. The purpose of this restriction is to reduce development pressure on the agricultural land within these districts. If a residence was constructed after the water or sewer line was installed and NYS Ag & Markets has placed a lateral restriction on the line, then the property would be eligible for well or septic improvements only.

e) Eligible Activities

The following uses are eligible for the expenditure of CDBG funds:

• Administration and Program Delivery services.
• Construction related to lateral connections, well/septic repair and replacement

f) Ineligible Activities

The following will not be eligible for expenditure in this program:

• Work on renter-occupied housing units
• Work on commercial properties, or commercial portions of mixed-use properties
• Outbuildings
• Addition of square footage
• Any work considered cosmetic in nature by the CCHD Environmental Health Engineer

g) Certification of Eligibility

All applicants will be required to certify that all information and documentation submitted in connection with their participation in CCHD’s program is current and correct under penalty of perjury. This certification will be completed at the time of applicant submission, and included in the application form. Applicants may be requested to sign a release authorizing Rural Revitalization to verify all information submitted if deemed necessary by RRC.
h) Eligible Funding

CCHD has received funding for lateral connections and well/septic rehabilitation. If a property has a failing well and/or septic system and a main line is available to connect to, and there are no lateral restrictions on the line, then the applicant will be connected to the main line rather than rehabilitation of an existing system.

Types of Assistance

CCHD will provide 100% grant assistance to low to moderate income households that qualify for the program. A 5 year lien will be placed on the property by a Grant Enforcement Note & Mortgage Agreement recorded in the Cattaraugus County Clerk’s office for the property.

If the property transfers ownership before the lien has expired, the property owner must repay the lien to Cattaraugus County. These funds will be placed in a separate account for miscellaneous revenue and will be handled in accordance with the NYS Homes and Community Renewal guidance document dated 3/29/2018.

Any recaptures of program funds over $35,000.00 will be considered Program Income and will need to be returned to NYS Homes and Community Renewal as per their guidance document dated 3/29/2018.

i) Insurances

In addition to Homeowners’ insurance (described in Section 4b), program applicants whose homes lie within a 100-year floodplain will be required to obtain and maintain flood insurance. An active flood insurance policy must be kept current, and a copy of which must be kept on file with the Program Administrator at all times during project implementation.

Section 5 Policies and Procedures

a) Application for Assistance

Prior to undertaking any rehabilitation activity, program applicants must meet with the Program Administrator (RRC) to discuss eligibility, program requirements and procedures. These preliminary discussions will allow the Program Administrator to determine if applicants are eligible to apply and willing to comply with all program requirements.

For those applicants who meet these criteria, they will be invited to submit a completed application form, including required supporting documentation. Application packages will be available at Rural Revitalization Corp., 618 N. Barry Street, Olean, NY 14760 716-373-4100 and on Cattaraugus County Health Department’s website - www.cattco.org/health. The application package will include the following materials:
b) Verification of Income

Rural Revitalization, at its discretion, will determine what documents or authorizations are necessary to verify information submitted in connection with applicants’ participation in the program and to accurately establish their eligibility for assistance through this CDBG program.

c) Application Selection and Processing

Once applications have been received, verified and approved by RRC, they will be ranked and processed according to the order they were received, with preference going to households containing elderly and disabled residents.

It is important for all applicants to submit a completed application and supporting documents so that their information can be verified as quickly as possible for their consideration. Final determination of which applicants will be accepted into the program is made by RRC. Notice of Approval or Rejection will be issued by RRC.

d) Historic Preservation Standards

RRC and CCHD officials will be required to comply with the National Historic Preservation Act of 1966 and related laws, regulations, and executive orders, as amended. As such, prior to rehabilitation, the Program Administrator will request a determination from the New York State Historic Preservation Office (SHPO). The SHPO will first determine, based on submissions by Rural Revitalization Corp., if the subject property is listed or eligible for listing on either the State or National Registers of Historic Places.

Qualifying properties will be required to undergo further review and approval of work specifications prior to rehabilitation.

e) Lead Assessments/Clearances

As the program will focus on lateral connections and well/septic rehabilitation, lead-related testing will not likely be required. However, in the event that paint will be disturbed on a property, the Lead Based Paint Mitigation Plan will be implemented.

f) Coastal Zone Review

Cattaraugus County is not included in the State’s designated Coastal Zone. Therefore, this procedure does not apply to project sites within Cattaraugus County.
g) Property Inspections

CCHD Public Health Sanitarian (Septic/Sewer Lateral) or CCHD Water Resource Specialist (Well/Water Lateral) in the implementation of this Lateral Connection or Well/Septic Repair Assistance Program will be responsible for meeting with program applicants and the Program Administrator to conduct initial, interim and final property inspections. Rural Revitalization Corp staff are responsible to take before and after pictures to be kept on file at their office.

Initial Inspection

A CCHD Public Health Sanitarian (Septic/Sewer Lateral) or CCHD Water Resource Specialist (Well/Water Lateral) will conduct this inspection with the property owner. For septic systems, this process will include deep hole and percolation testing, as necessary, among other procedures required by the Department of Environmental Conservation and Department of Health regulations.

Interim Inspections

The CCHD Public Health Sanitarian (Septic/Sewer Lateral) / Water Resource Specialist (Well/Water Lateral) will coordinate with the contractor and owner to complete interim inspections. The CCHD Public Health Sanitarian / Water Resource Specialist may only inspect and approve specific work items that have been completed in accordance with applicable standards for rehabilitation, the Contractor/Owner Agreement and the conditions of the Building Permit.

Final Inspection

Following rehabilitation, the CCHD Public Health Sanitarian (Septic/Sewer Lateral) / Water Resource Specialist (Well/Water Lateral) will coordinate a final inspection with the contractor, property owner and, if applicable or necessary, the CCHD Environmental Health Engineer. All required work items must be complete at this time in order for the CCHD Environmental Health Engineer to approve payment and issue a Permit to Operate (Septic) or a Well Water Test Result / Completion report (well). At this inspection, the CCHD Environmental Health Engineer, Public Health Sanitarian / Water Resource Specialist, owner and contractor may develop a punch list of work items to complete if necessary.

h) Complaint Procedures

Program complaints registered during the course of program implementation will be reported to the Program Administrator, and may include complaints registered by applicants, contractors or residents, among others. CCHD will request that complainants submit their comments in writing in order to most effectively document specific program complaints, though verbal complaints will be accepted and documented by the Program Administrator.

The Program Administrator will work with all involved parties to resolve all program disputes. In the case of disputes between property owners and contractors regarding
quality or completion of work, the **CCHD Environmental Health Engineer** will be involved in the conflict resolution. Should the Program Administrator be unable to resolve a dispute, the matter will be referred to the Cattaraugus County Health Department for resolution, and in the event that County Health Department intervention is insufficient, CCHD will request that the OCR intervene. OCR determinations will be final and not eligible for appeal.

**i) Miscellaneous Income / Program Income**

According to regulations in 24 CFR 570.426 (c), CCHD will be required to report recaptured CDBG funds on mortgages that qualify as Miscellaneous Income (under $35,000) and Program Income (over $35,000) received in any amount for each fiscal year. CCHD does not anticipate accrual of any program income (over $35,000) based on past recapture history. Any Miscellaneous Income (under $35,000) received by the CCHD from mortgage recaptures will be, whenever possible, reallocated to completing additional CDBG projects, according to an approved miscellaneous income plan developed according to OCR program requirements.

**j) Project Termination**

Projects may be terminated prior to completion under the following circumstances:

- A contractor fails to comply with the terms and conditions set forth in the Contractor/Owner Agreement – in this event, a new contractor will be found to complete any remaining rehabilitation work
- An owner refuses to execute any required documentation, including a Contractor/Owner Agreement, Grant Enforcement Note & Mortgage Agreement, authorization to verify application, or any other required documents.

A project may be terminated by the property owner, without penalty, until the Contractor/Owner Agreement and Grant Enforcement Note & Mortgage Agreement are signed. If the property owner wishes to terminate the agreement after the 3 day right of rescission, then the property owner must reimburse CCHD any funds expended on their property at the time of termination. This may include contractor costs, material costs and engineering fees.

**k) Change Orders**

Given the explicit design requirements involved, CCHD does not anticipate the need for any change orders, but will adhere to the following procedure in the event of a need for one.

In the event that unforeseen rehabilitation work will need to be completed in the course of rehabilitating previously-approved work items, the Program Administrator may allow a Change Order. An example of such an event may include an underground
obstacle that was found during excavation that the contractor has to circumvent and was unknown when a contractor submitted his/her bid.

In the event that such an event occurs, the property owner(s), contractor, CCHD Public Health Sanitarian, Water Resource Specialist or Environmental Health Engineer, and Program Administrator will be required to execute the Change Order prior to continuing rehabilitation of the work item in question. The Change Order will consist of a single-page form that includes the nature of the work change, reason, and original and modified prices. All Change Orders are subject to review and approval by the property owner(s), contractor, CCHD Environmental Health Engineer, and Program Administrator, and added as an attachment to the Contractor/Owner Agreement.

l) Defaults/Foreclosures

All program participants will be required to execute a Grant Enforcement Note & Mortgage Agreement that will ensure CCHD’s investment in assisted properties and discourage property speculation. As the primary goal of the Program is to improve the quality and availability of affordable housing for low and moderate income households, CCHD will discourage speculation in assisted housing by barring property owners from selling or transferring title to an assisted property for a period of five years from the completion of rehabilitation.

This provision will be included in all Grant Enforcement Note & Mortgage Agreements, the value of which will equal the value of total funds provided by CCHD to the applicant. In the event that a property is sold or transferred to another party during the 5-year regulatory period, CCHD will immediately recapture the funds.

m) Files Maintenance

The Program Administrator will be responsible, under general oversight by CCHD for all files maintenance. Section 3 lists files that are required to be maintained.

n) Conflicts of Interest

To avoid any real or perceived conflict of interest in the implementation of the Program, Rural Revitalization and/or CCHD will not allow selected family members of elected officials to receive CDBG assistance. These family members will include spouses, parents, children, grandparents, aunts/uncles, or cousins. At the time of application submission, Program applicants will be required to disclose any relationship that may create a conflict of interest. Failure to disclose this information may result in denial of assistance or expulsion from the Program.

In cases of an unclear potential conflict of interest, the Program Administrator will consult with the OCR to determine whether or not an applicant’s participation in the Program constitutes a conflict of interest. In all cases, the OCR’s determination will prevail.
Section 6  Contracting and Bidding

a) Rehabilitation Contracts

Contractor/Owner Agreements

Applicants will be required to execute a Contractor/Owner Agreement with a contractor. This agreement will include rehabilitation specifications, engineering drawings, SHPO comments, insurance forms and Lead Risk Assessments (as applicable). These documents will clearly describe the scope of work, as well as specific methods and standards for workmanship. The Contractor/Owner Agreement will also stipulate the time frame for completion of all rehabilitation, and include statutory/regulatory certifications.

b) Federal, State and Local Requirements

In the implementation of CCHD’s Lateral Connection and Well/Septic Repair Assistance Program, CCHD and RRC will be required to comply with all local, state, and federal laws and regulations, including: NYS Building Codes and construction standards, federal Community Development Block grant regulations, as defined in 24 CFR 570, as amended (including regulations and laws referenced), and the NYS Departments of Health and Environmental Conservation.

c) Contractor Insurance

Through their participation in CCHD’s Lateral Connection and Well/Septic Repair Assistance Program, CCHD will require that all contractors maintain insurance in the amounts of $500,000 for liability and $100,000 for property damage. Original and current certificates must be on file with the Program Administrator at all times, and certificates must list individual property owners and CCHD as additionally insured parties.

CCHD will also require contractors to maintain Worker’s Compensation Insurance (unless incorporated as a DBA) throughout the duration of their participation in CCHD’s program.

Evidence of all required insurance policies must be current, and maintained on file by the Program Administrator at all times.

d) Bidding Process

After the property owner approves rehabilitation specifications, the CCHD will assemble a Bid Package for direct solicitation of bids by RRC. The bid package will include a bid form, the approved rehabilitation specifications/drawings, septic design diagram, Request For Proposal documents and any other information determined to be pertinent to the contractor for bidding purposes.

Contractors will also be required to certify non-collusion in providing bid costs, as well as compliance with applicable local, state and federal laws. These will include compliance with Section 3, Civil Rights, local and State Building codes, lead-based paint
mitigation and others. Bids will be directly solicited from all contractors on the approved contractor’s list, with a firm deadline date.

CDBG regulations require that grant recipients select the lowest responsible bid. However, choice of contractor is at the property owner’s discretion, and they may select a higher bid if they choose, and contribute the difference in cost. This sum must be paid to RRC prior to commencement of rehabilitation in order to ensure payment to the contractor. Note that additional work, not included in the bid specifications, that the owner may choose to have contractors complete that is concurrent with CDBG-funded rehabilitation is payable directly to the contractor by the owner.

Once the owner selects a contractor, both parties will execute a Contractor/Owner Agreement to determine the length of the rehabilitation period, and the rights and responsibilities of each party.

e) Contractor Solicitation/Recruitment

The Program Administrator (RRC) will solicit eligible contractors before and during the course of program implementation. Eligible contractors will be required to submit evidence of appropriate insurance in order to participate in the program. Insurance requirements include a minimum $500,000 in liability, $100,000 in property damage, as well as Workers’ Compensation (unless the company is a sole proprietor, DBA, or other incorporated entity without employees).

Section 7 Distribution of Funds

a) Execution of Grant Agreements

As described in Section 5, CCHD will require that a lien be placed on all assisted properties. After property owners receive, review, and accept a bid from an eligible contractor, the Program Administrator (RRC) will prepare a Grant Enforcement Note & Mortgage Agreement to act as the lien.

CCHD recommends that program applicants obtain the services of an attorney to review this document prior to signing, and under no circumstances will a CCHD or County Attorney represent a program applicant in this way.

Furthermore, all expenses related to hiring legal representation will be the sole responsibility of the program applicant, and not eligible for payment by CCHD through CDBG or other funds.

Mortgage filing fees and other closing costs (excluding the applicant’s attorney fees) will be eligible for payment from CDBG funds, and paid on behalf of program applicants by CCHD through its Program Delivery budget line item of the grant.

Furthermore, to ensure HUD’s, NYS OCR’s, CCHD’s and Rural Revitalizations investment in properties, Rural Revitalization will not allow the
execution of a Contractor/Owner Agreement until after execution of the Grant Enforcement Note & Mortgage between the property owner and County of Cattaraugus, acting through the CCHD.

b) Payment Processing

Once the Program Administrator, CCHD Environmental Health Engineer, Public Health Sanitarian or Water Resource Specialist verify the completion of work, and that work complies with applicable rehabilitation standards, and a Permit to Operate (septic) or a Well Water Completion / Lab Report (well) been issued, the Program Administrator (RRC) will submit a request for funds to the CCHD for submission on the line of credit with the NYS OCR. All requests for payment will be reviewed and approved by CCHD and NYS OCR prior to EFT issuance.

c) Project Closeout

Project closeout will occur after the following:

1. Contractor completes all work in accordance with provisions in the Contractor/Owner Agreement
2. CCHD Environmental Health Engineer, Public Health Sanitarian or Water Resource Specialist issues final approval for all work and a Permit to Operate (Septic) or a Well Water Completion report and Water Sample Lab Report (Well)
3. The property owner signs a RRC Project Close-Out Form.
4. RRC issues a two-party payment check to contractor and homeowner.
5. RRC submits Invoice, Copy of Contractor’s Invoice and form 1-4B to CCHD for review and approval. CCHD submits a Request for Funds form to NYS OCR.
6. Upon receipt of this payment from NYS OCR, CCHD will reimburse RRC for payments to contractors.

\[ \text{ } \]

\[ \text{d) Default Plan} \]

CCHD will adhere to the following guidelines in the event that a property owner defaults on the Grant Enforcement Note & Mortgage Agreement placed on all assisted properties. The Grant Agreement will contain requirements for retaining title to assisted properties as well as terms of any grants associated with rehabilitation. Property owners will be in default of the agreement if a property owner sells or transfers title to the property within the regulatory period (5 years). In the event of a default through sale/transfer, CCHD will recoup the total amount of the original grant dollars invested in the property from the proceeds of the sale/transfer.

CCHD reserves the right to seek legal counsel and recourse in any situations of fraud or failure of any program participant to comply with the terms and conditions of the Cattaraugus County Lateral Well/Septic Repair or Replacement Program contained in this Policy, Procedures and Guidelines manual or any terms and conditions expressed in any other literature connect to this program.
## Section 8  FY 2018 HUD Income Limits

<table>
<thead>
<tr>
<th>No. of Persons in Household</th>
<th>Maximum Allowable Gross Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$36,050</td>
</tr>
<tr>
<td>2</td>
<td>$41,200</td>
</tr>
<tr>
<td>3</td>
<td>$46,350</td>
</tr>
<tr>
<td>4</td>
<td>$51,450</td>
</tr>
<tr>
<td>5</td>
<td>$55,600</td>
</tr>
<tr>
<td>6</td>
<td>$59,700</td>
</tr>
<tr>
<td>7</td>
<td>$63,800</td>
</tr>
<tr>
<td>8</td>
<td>$67,950</td>
</tr>
</tbody>
</table>

These income limits are published by the US Department of Housing and Urban Development and subject to change each year. These figures will likely be in effect until March of 2019 at which time the updated income figures will be available.

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## Section 9  FORMS

- FY 2018 HUD INCOME LIMITS  Page 21
- CCHD Program Summary  Page 22
- CCHD Eligibility Requirements List  Page 22
- CCHD General Overview of Project  Page 23
- RRC CDBG Application  Page 25
- RRC Income Verification Form  Page 27
Cattaraugus County Health Department
Environmental Health Initiative

PROGRAM SUMMARY

CATTARAUGUS COUNTY HEALTH DEPARTMENT THROUGH THE ENVIRONMENTAL HEALTH DIVISION HAS QUALIFIED FOR A SMALL CITIES COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FROM THE NYS OFFICE OF COMMUNITY RENEWAL. THE PROGRAM IS ADMINISTERED IN PARTNERSHIP WITH THE RURAL REVITALIZATION CORP. IN OLEAN, NY.

PLEASE NOTE: AS OF NOVEMBER 2018 ALL ENVIRONMENTAL HEALTH INITIATIVE #199WS338-16 FUNDS HAVE BEEN FULLY COMMITTED TO EXISTING PROJECTS. RURAL REVITALIZATION IS CURRENTLY ACCEPTING APPLICATIONS THAT WILL BE PLACED ON A WAITING LIST. PROPERTY OWNERS WILL BE NOTIFIED IF/WHEN NEW FUNDS BECOME AVAILABLE THOUGH THE 2019-2020 GRANT CYCLE.

IF YOU THINK YOU MIGHT QUALIFY AND ARE INTERESTED IN SUBMITTING AN APPLICATION FOR THE NEXT ROUND OF ANTICIPATED FUNDING, PLEASE REVIEW THE ATTACHED DOCUMENTS OR GO TO WWW.CATTCO.ORG/HEALTH.

-------------------------------------------------------------------------------------

Cattaraugus County Health Department
Environmental Health Initiative

Eligibility Requirements List

The Cattaraugus County Health Department and Rural Revitalization Corp. have partnered together to offer a well and septic system repair program. This Community Development Block Grant (CDBG) Program helps low-to-moderate income homeowners repair or replace failing septic systems, private water supplies, and public water services in Cattaraugus County.

There are eligibility requirements to be in the program:
- The home must be owned and occupied by the person applying for assistance
- Only single-family homes are eligible.
- Income guidelines apply. Income limits go up with the number of household members. The household gross annual income limits for program eligibility are:

<table>
<thead>
<tr>
<th>Number of People</th>
<th>Income Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 person</td>
<td>$36,050</td>
</tr>
<tr>
<td>2 people</td>
<td>$41,200</td>
</tr>
<tr>
<td>3 people</td>
<td>$46,350</td>
</tr>
<tr>
<td>4 people</td>
<td>$51,450</td>
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<tr>
<td>5 people</td>
<td>$55,600</td>
</tr>
<tr>
<td>6 people</td>
<td>$59,700</td>
</tr>
<tr>
<td>7 people</td>
<td>$63,800</td>
</tr>
<tr>
<td>8 people</td>
<td>$67,950</td>
</tr>
</tbody>
</table>

- Estimates from eligible contractors must be obtained before determining the amount of funding and its uses.
- The Cattaraugus County Health Dept. and Rural Revitalization will inspect each repair after completion.
- Property taxes, homeowner’s insurance, and mortgage must be current.
- Homes under land contracts, rental property, or trailer parks are not eligible for this program.
- A 5-year mortgage note lien must be filed with the Cattaraugus County Clerk’s office.
- For an application, please call Rural Revitalization at 716-373-4100 or email kmagara@rrcorp.org

(Rev 4/18)
SMALL CITIES COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM IS ADMINISTERED IN PARTNERSHIP WITH THE CATTARAUGUS COUNTY HEALTH DEPARTMENT (CCHD) AND RURAL REVITALIZATION CORP. (RRC) IN OLEAN, NY.

GENERAL OVERVIEW OF PROJECT STEPS:

1. Rural Revitalization accepts applications & Establishes customer eligibility
2. List of Eligible Applicants supplied to Cattaraugus County Health Dept.
3. CCHD Environmental Health makes site visit to residence to determine needs of applicant
4. If Septic System – Environmental Health performs PERK test, designs system & issues permit to construct
5. If well water system – Environmental Health creates specs & Request For Proposal.
6. A representative of RRC visits the property for initial photographic inspection
7. Rural Revitalization puts needed repair / replace out to Bid with contractors
8. CCHD Environmental Health and RRC determines low bidder.
Home Owner signs Grant Enforcement Note & Mortgage agreement with CCHD Before Contractor/Owner Agreement signed.

Contractor performs repair or replacement per specs and contract.

CCHD Environmental Health and RRC performs final inspection & Final Pictures are completed.

If Well Repair / Replacement – Water Sample is completed with copy of lab report & Well Water Completion report retained in project file.

If Septic Repair / Replacement – Permit to Operate is Issued with copy retained in project file.

Upon acceptable inspection, Rural Revitalization will issue check to contractor & homeowner

Grant Enforcement Note & Mortgage agreement recorded in County Clerk’s Office

PROJECT COMPLET
Community Development Block Grant Application

A partnership of the Cattaraugus County Health Department and Rural Revitalization Corporation

Name: __________________________ Date of Birth: ________

Co-applicant: __________________________ Date of Birth: ________

Street Address: __________________________

Mailing Address: __________________________

City: ______________ State: __________ Zip: __________

Home Phone: ______________ Work Phone: ______________

Cell Phone: ______________ Cell Phone: ______________

Email Address: __________________________

Circle any applicable: Veteran Female Head of Household Disabled Member of Household

List Other Persons in Household

<table>
<thead>
<tr>
<th>Last Name</th>
<th>Relationship</th>
<th>Age</th>
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</thead>
<tbody>
<tr>
<td>N</td>
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<td>M</td>
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<tr>
<td>E</td>
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</tbody>
</table>

Housing Type: Single Family Multi-Family Mobile Home Other

Ethnicity:

- African American/Black
- African American and Caucasian
- American Indian/Alaskan Native
- American Indian/Alaskan Native and African Indian
- American Indian/Alaskan Native and Caucasian
- Asian
- Asian and Caucasian
- Caucasian/White
- Native Hawaiian/Other Pacific Islander
- Other Multiracial
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<thead>
<tr>
<th>Question?</th>
<th>Yes</th>
<th>No</th>
<th>Question?</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is the deed in the applicants name</td>
<td></td>
<td></td>
<td>Is there a land contract on the property</td>
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<tr>
<td>Are the property taxes current</td>
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<td>Is there a mortgage on the property</td>
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<tr>
<td>Do you have Homeowners Insurance</td>
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<td>Is your mortgage payment current</td>
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<td></td>
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<td>If a mobile home, do you own the land</td>
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<td></td>
<td>on which it is located</td>
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</table>

List all gross household income (before taxes) | Check Frequency | Leave Blank

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<thead>
<tr>
<th>Source</th>
<th>Recipient</th>
<th>$ Amount</th>
<th>Week</th>
<th>Bi-week</th>
<th>Month</th>
<th>Total</th>
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<tbody>
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<td>Wages</td>
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<td>Veterans Pension</td>
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<td>Other Pension</td>
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<tr>
<td>Social Services</td>
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<td>Alimony</td>
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<td>Child Support</td>
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<td>Worker’s Comp</td>
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<td>Social Security SSI</td>
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<td>Other</td>
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<tr>
<td>Office Use Only</td>
<td>Total Annual Income</td>
<td>Eligibility Income Limit</td>
<td>Household Size</td>
<td>% of Median</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Please provide a brief explanation below of the repairs you are requesting.

- Septic System
- Private Water Supply
- Public Water Service

This application is made for the purpose of requesting assistance. Any and all information provided by the applicant is deemed both truthful and correct. Rural Revitalization Corp. has the right to refuse service if information provided on this form is found to be untruthful or false.

__________________________________________________________
Signature of Applicant
__________________________________________________________
Signature of Co-Applicant
__________________________________________________________
Date
__________________________________________________________
Date

Please direct all questions to 716-373-4100 x 2 or kmagara@rrcorp.org.
Applications can be returned via mail or in person to RRC - 618 North Barry St., Olean, NY 14760.
Rural Revitalization Corporation
Income Verification

Applicant: __________________________
Co-Applicant: _______________________

Property Address: ____________________________________________________________

Total No. in Household: ______________

<table>
<thead>
<tr>
<th>Income Source</th>
<th>Monthly</th>
<th>Annual</th>
<th>Verification Source</th>
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</tbody>
</table>

Totals

Verified By: __________________________ Date: May 4, 2018